

Honorable Maurice H. Stans
Director
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Stans:

I have followed with interest the House Post Office and Civil Service Committee's hearings on S. 94, the Federal Employees' Health Insurance Act of 1959.

As you know, our Agency faces certain security problems in conforming to general legislation providing employee benefits. These security factors required this Agency to establish a hospitalization insurance program which could be administered under Agency control. This program has operated successfully in various forms since 1948. It is our desire to continue the hospitalization insurance program which we currently have in effect. In any health insurance legislation which may be enacted, it is important to the operation of this Agency that sufficient latitude be granted the Civil Service Commission in the administration of the program so that we might arrange with them appropriate ^{with the} procedures for handling insurance claims and procedures in a secure manner.

We would naturally welcome Government financial support of an Agency health insurance program in an amount determined feasible. However, while we desire to conform to the general framework of any legislation granting health insurance benefits, it is imperative that we have sufficient latitude to resolve our rather unique security problems

within that general framework.

If the Bureau has no objection, I should like to communicate these views directly to the Senate and House Committees concerned.

Sincerely,

Allen W. Dulles
Director